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State Administration and Veterans' Affairs Interim Committee

62nd Montana Legislature

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June 26, 2012

TO: Holdover senators and unopposed legislative candidates

FROM: Sheri Scurr, Research Analyst, Legislative Services Division

RE: Pre-session screening of bill proposals affecting public pension systems

As a holdover senator or unopposed legislative candidate, you are authorized to request bills for the 2013 legislative session prior to the November general election. You may have an idea or ideas for revising the statutes governing the public pension systems. This memorandum is to inform you that because public pension issues require careful analysis that cannot be thoroughly completed during the rush of a legislative session, the legislature enacted a law that requires the State Administration and Veterans' Affairs Interim Committee (SAVA) to review, prior to each legislative session, any proposed legislative changes to the public employee retirement systems and to make a report to the full legislature that will provide objective nonpartisan information to help legislators evaluate and act on these proposed legislative changes during the session.

Subsections (2) and (3) of section 5-5-228, MCA, spells out SAVA's duties. These MCA subsections read as follows:

5-5-228. State administration and veterans' affairs interim committee. (1)

(2) The committee shall:

(a) ...

(d) solicit and review proposed statutory changes to any of the state's public employee retirement systems;

(e) report to the legislature on each legislative proposal reviewed by the committee. The report must include but is not limited to:

(i) a summary of the fiscal implications of the proposal;

(ii) an analysis of the effect that the proposal may have on other public employee retirement systems;

(iii) an analysis of the soundness of the proposal as a matter of public policy;

(iv) any amendments proposed by the committee; and

(v) the committee's recommendation on whether the proposal should be enacted by the legislature.

(f) attach the committee's report to any proposal that the committee considered and that is or has been introduced as a bill during a legislative session; and

(g) publish, for legislators' use, information on the state's public employee retirement systems.

(3) The committee may:

(a) specify the date by which proposals affecting a retirement system must be submitted to the committee for the review contemplated under subsection (2)(d); and

(b) request personnel from state agencies, including boards, political subdivisions, and the state public employee retirement systems, to furnish any information and render any assistance that the committee may request.

The SAVA committee will review pension proposals at the committee's August 9-10, 2012, meeting. If you are thinking of introducing pension legislation for the 2013 session, please fill out the enclosed questionnaire entitled "Proposal for Retirement System Legislation" for each of your proposals and **return it to me by August 1, 2012.** This questionnaire is also posted online at the SAVA web page at <http://www.leg.mt.gov/sava> and may be filled out and returned to me electronically.

Public employee unions and other interested stakeholders have also been asked to submit their proposals for SAVA's review even if they have not yet found a legislative sponsor.

Thank you for your time and attention to this matter. Please feel free to contact me at 406-444-3596 or sscurr@mt.gov if you have any questions.